Report to the

Senate Appropriations Committee on Health and Human Services

House of Representatives Appropriations Subcommittee on Health and Human Services

and

Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities and Substance Abuse Services

Monthly Report on Community Support Services

September 2008

Session Law 2007-323

House Bill 1473

Section 10.49.(ee)

October 31, 2008

North Carolina Department of Health and Human Services

Executive Summary

Legislation in 2007 required the Department of Health and Human Services to report monthly on the use and cost of Community Support services for persons with mental health, developmental, and substance abuse disabilities. This September 2008 report includes data on the past 18 months of services. The following highlights provide a summary of that information.

Highlights

- In July 2008, slightly under 24,500 children and slightly under 13,000 adults received Medicaid-funded Community Support services. Additionally, slightly over 550 children and adolescents and slightly over 3,000 adults received State and block grant funded Community Support services.
- Over 606,000 hours of Medicaid-funded Community Support services, at a cost of slightly over $31 million, were provided to children and adolescents in July 2008. State-funded Community Support services for children and adolescents totaled slightly over 7,000 hours and cost slightly over $364,000.
- Medicaid-funded Community Support services for adults totaled slightly less than 260,000 hours in July 2008, at a cost of slightly over $13 million. Slightly over 17,000 hours of State-funded services for adults were provided that month, at a cost slightly under $888,000.
- In July 2008, the use of Medicaid-funded Community Support services averaged 25 hours per month for almost 10 months for children and adolescents and 20 hours per month for almost 12 months for adults. State-funded services were provided for about half that long, on average, and at less than half that intensity.
- As of September 30, 2008, 1,356 provider sites were actively enrolled with Medicaid to provide Community Support services and the enrollment of 478 providers had been terminated.
- Over 1,135 provider sites have been referred to the Division of Medical Assistance for further investigation. Of those, 39 have been referred to the Attorney General's Medicaid Investigation Unit.
- The greatest numbers of persons receiving Medicaid and State-funded enhanced services other than Community Support in July 2008 were found in assertive community treatment teams (slightly over 2,100) and psychosocial rehabilitation (slightly over 1,900).
- The highest *average dollars of service per person served* in July 2008 for Child and Adolescent services was child and adolescent day treatment for both Medicaid-funded services (almost $2,900) and State-funded services (slightly over $2,000). For adults, community support team (almost $2,800) and assertive community treatment teams (slightly over $1,200) had the highest average.
- The most expensive enhanced services after Community Support in July 2008 were child day treatment at almost $2.6 million and assertive community treatment teams, at slightly under $2.7 million (Medicaid and State funds combined).

Table of Contents

Introduction

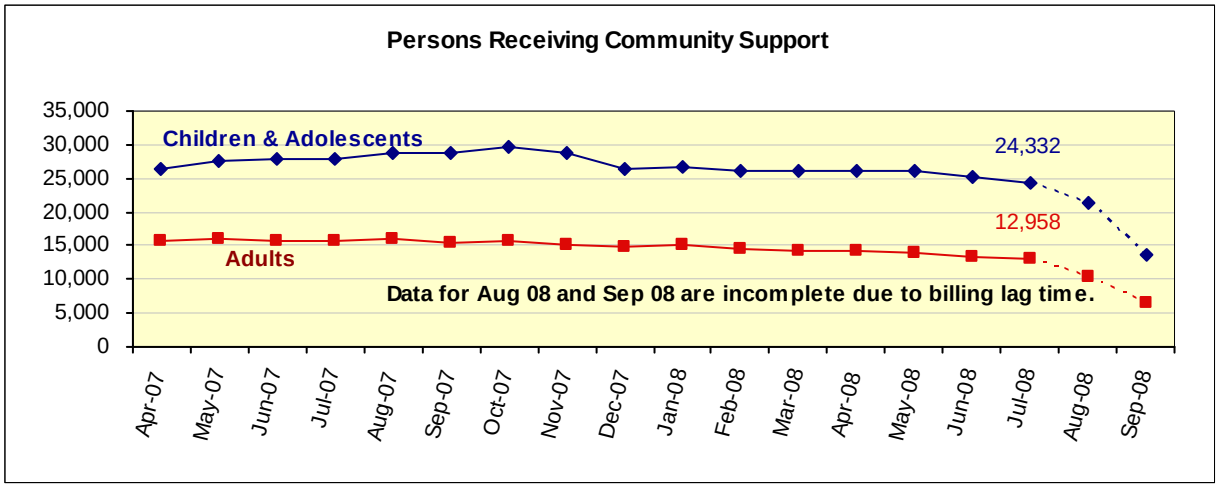
The *Monthly Report on Community Support Services* is presented in response to Session Law 2007-323, House Bill 1473, Section 10.49.(ee). The following pages show the utilization of Community Support and other Enhanced Benefit services from April 2007 to September 2008 (See page 22 for additional details). The use of Community Support services reached a peak in the spring of 2007 with over 41,000 persons being served at a cost of over $100 million dollars per month. When the rapid growth of Community Support was recognized, several legislative, policy, and rate changes (See Appendices A-C) were implemented. These changes have helped to reduce the overuse of community support and to move the system toward a more desired balance in utilization of the entire enhanced service array.

Use of Community Support Services

Number of Consumers

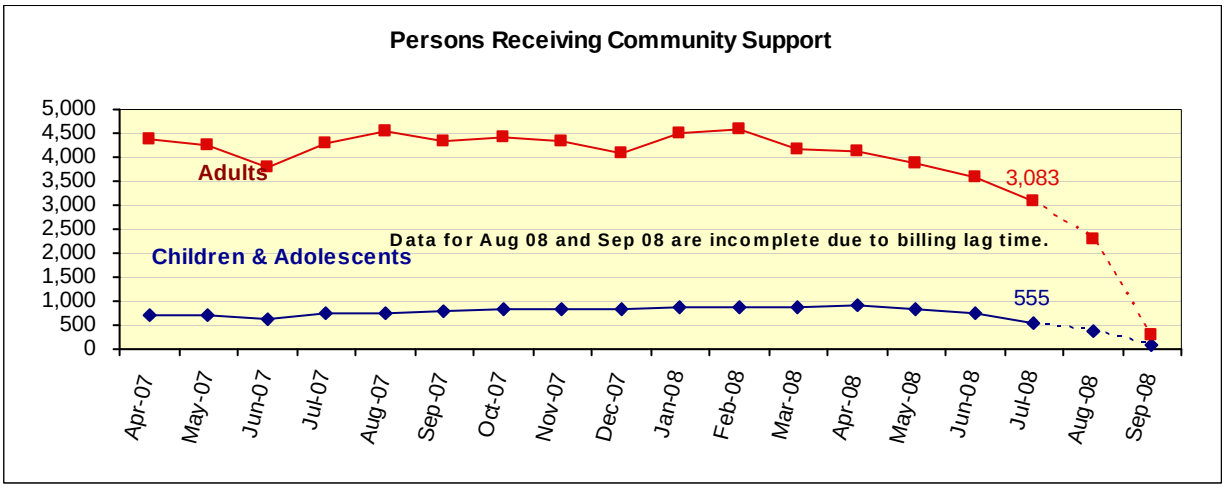
As indicated by Figure 1.1 below, the number of individuals receiving Medicaid-funded Community Support services was slightly under 24,500 children and adolescents, and slightly under 13,000 adults in July 2008.

Figure 1.1
Medicaid-Funded Services



As indicated by Figure 1.2 below, more adults received State-funded Community Support services than children and adolescents. Since April 2007 the number of adults and children and adolescents receiving Community Support has continued to decrease.

Figure 1.2
State-Funded Services



Volume of Services

The units of service continue to decline for Medicaid-funded Community Support provided, as shown in Figure 1.3 below. Children and adolescents received over 606,000 hours of services (slightly over 2.4 million units), and adults received slightly under 260,000 hours (slightly over 1 million units) in July 2008.

Figure 1.3
Medicaid-Funded Services

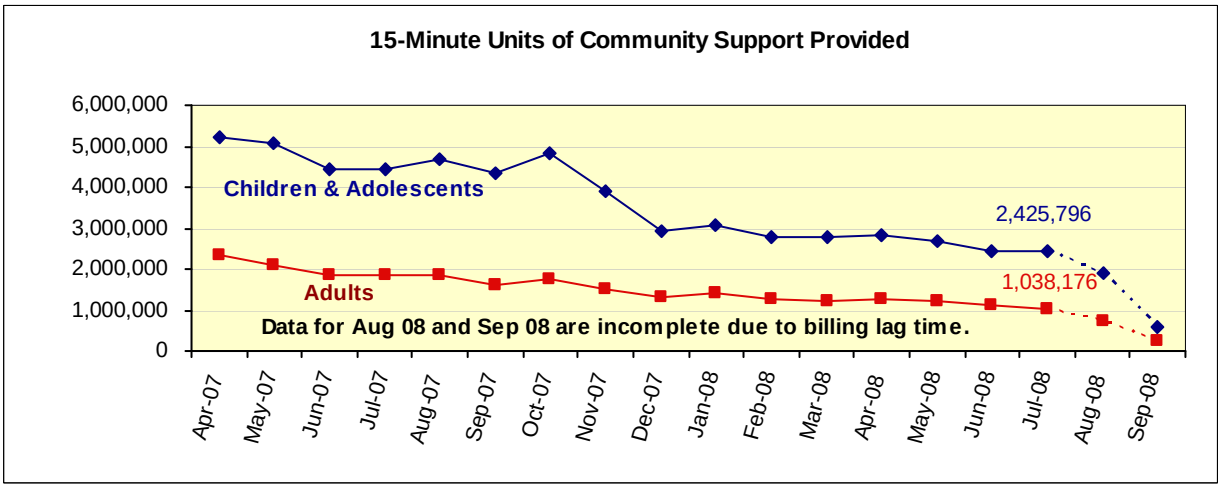
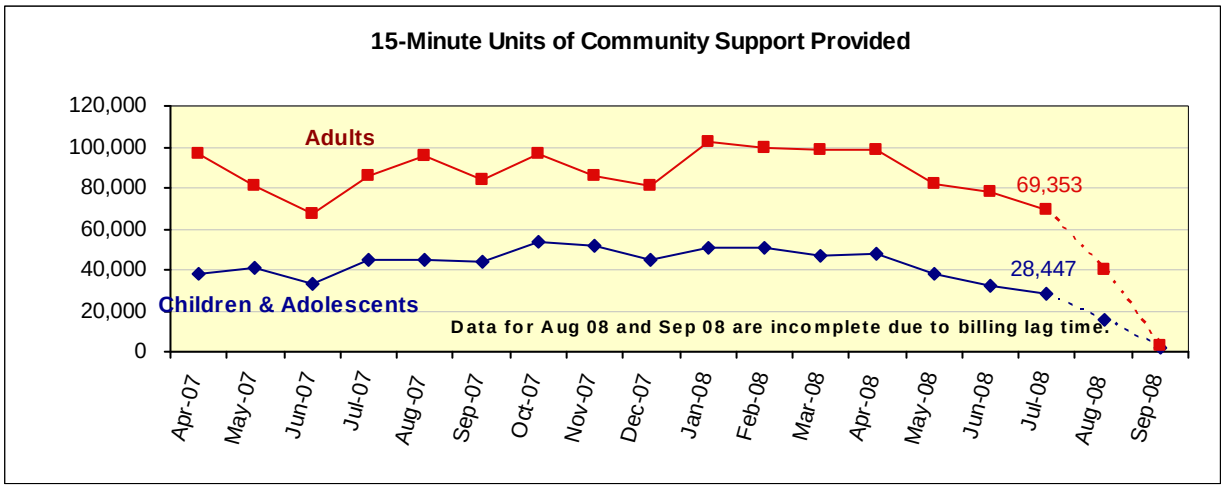


Figure 1.4 on the following page, shows a significant decrease in State-funded services from April 2007 to July 2008 for adults. Units of service for adults had decreased to slightly over 17,000 hours (just over 69,000 units) in July 2008. During the same period there continues to be a decrease in the units of services for adults. Community Support provided to children and adolescents decreased to slightly over 7,000 hours (over 28,000 units) in July 2008.

Figure 1.4
State-Funded Services

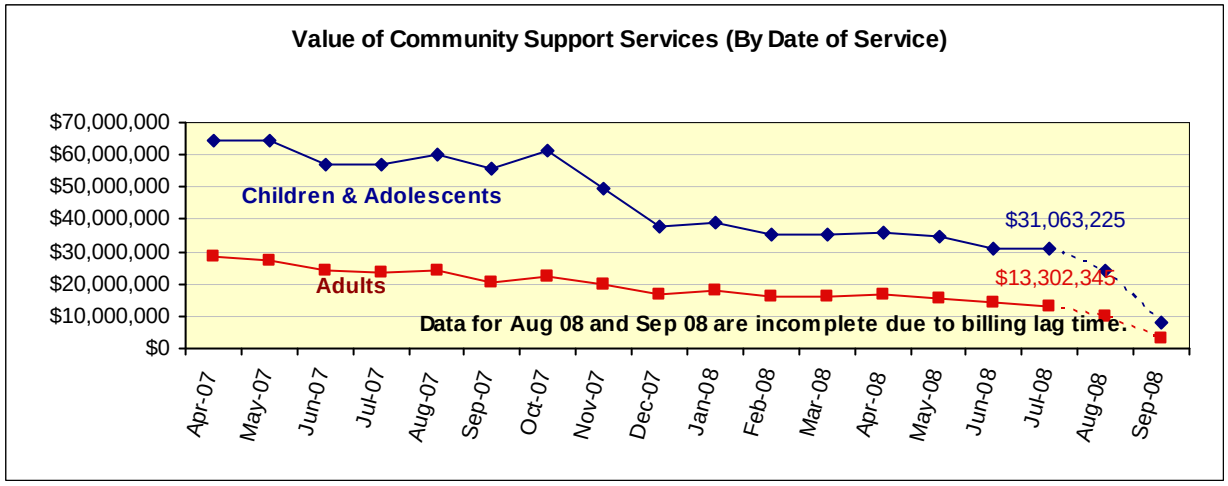


Cost of Services

Figure 1.5 below displays the monthly Medicaid cost of Community Support services. In the month of July 2008, the cost of services provided was slightly over $31 million for children and adolescents and $13.3 million for adults.

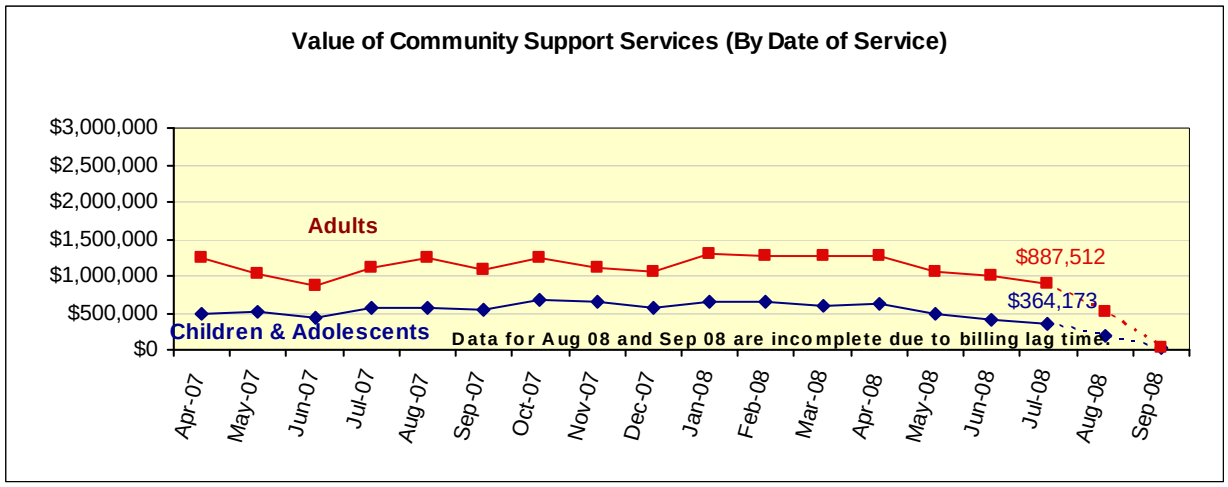
Figure 1.5

Medicaid-Funded Services



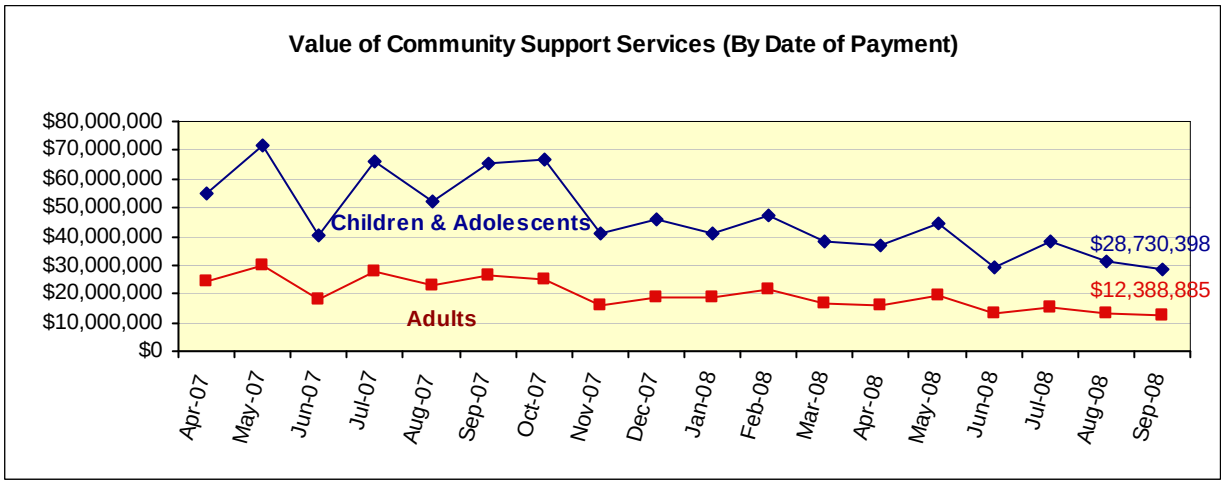
As shown in Figure 1.6 on the following page, the monthly State-funded cost of Community Support services for July 2008 has decreased to almost $888,000 for adults and slightly over $364,000 for children and adolescents.

Figure 1.6
State-Funded Services



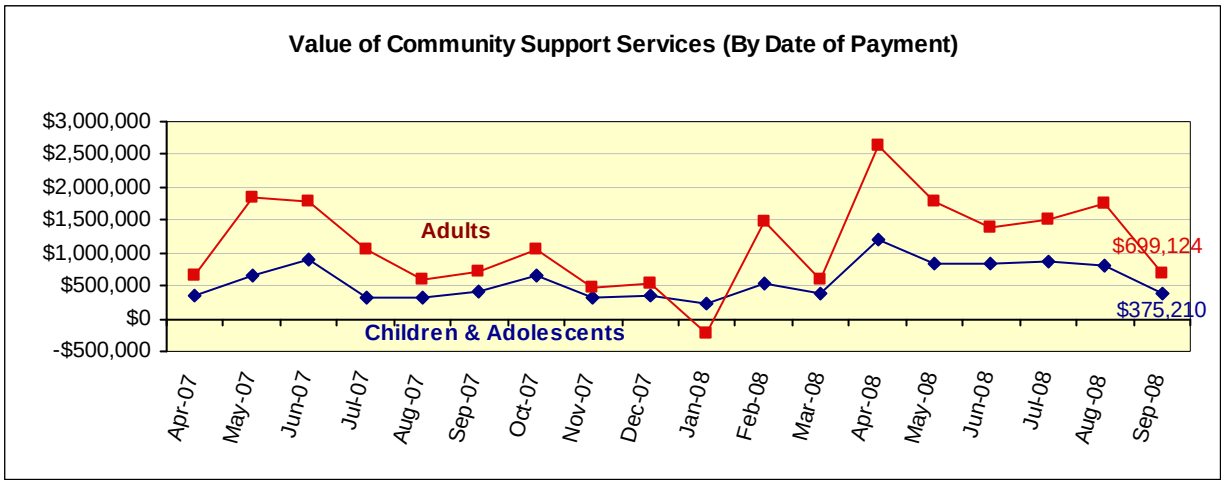
As shown in Figure 1.7, monthly Medicaid payments based on Date of Payment, to providers for Community Support in September 2008 decreased to slightly over $28.7 million for children and adolescents and slightly under $12.4 million for adults.

Figure 1.7
Medicaid-Funded Services



Payments of state funds made through the Integrated Payment and Reporting System (Figure 1.8 on the following page) continue to reflect a more irregular billing pattern for Community Support. In September 2008 the amount of Community Support services paid for adults was slightly over $699,000 and slightly above $375,000 for children and adolescents.

Figure 1.8
State-Funded Services[1]



Services by Qualified Professionals, Associate Professionals and Paraprofessionals

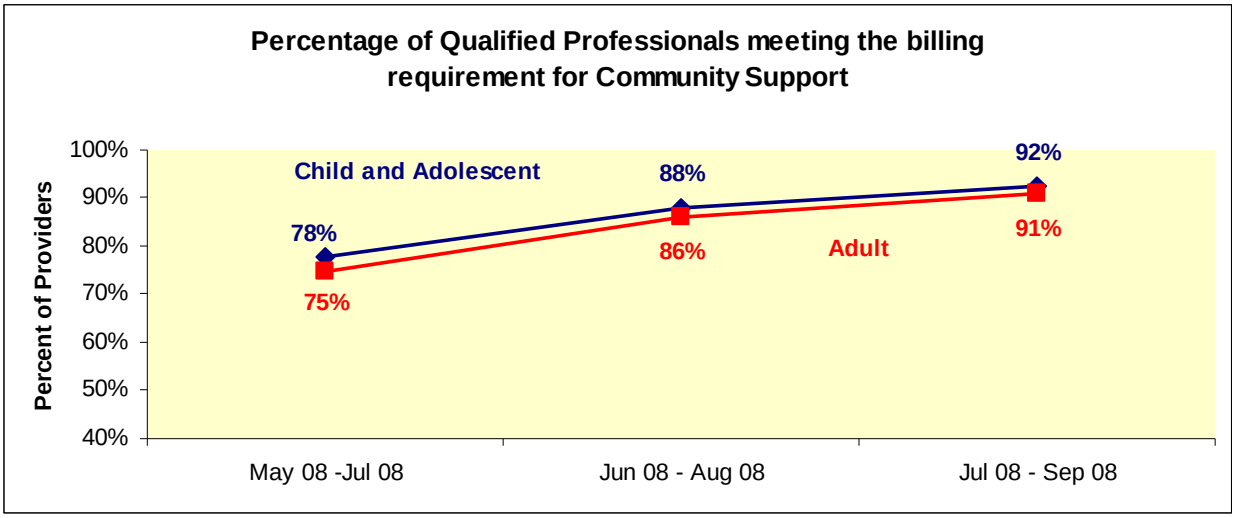
Within each provider agency enrolled to deliver Community Support services, the Qualified Professional (QP) is charged with the coordination and oversight of initial and ongoing assessment activities, ensuring linkages to the most clinically appropriate services, and with the facilitation of the Person Centered Planning process. To ensure adequate involvement and oversight by a Qualified Professional, clinical policy requires that a minimum of 25% of Community Support services per recipient be provided by the Qualified Professional over a "rolling" three month period (See Appendix B).

Figure 1.9 on the following page, shows that during the three-month period beginning May 1, 2008 and ending July 31, 2008 over three-fourths of Medicaid providers met the requirement above for child and adult Community Support services.[2] During the second three-month rolling period of June - August 2008 the percentage of providers meeting the requirement rose to 88% for child services, and 86% for adult services. In the third period (July 08-Sept. 08) the percentages for both child and adults exceeded 91% (92% child and adolescent and 91% for adults).

[1] In January 2008, the amount of community support services billed reflects an adjustment that exceeded the amount of dollars paid; therefore, the scale shows a negative amount of Community Support services billed through IPRS.

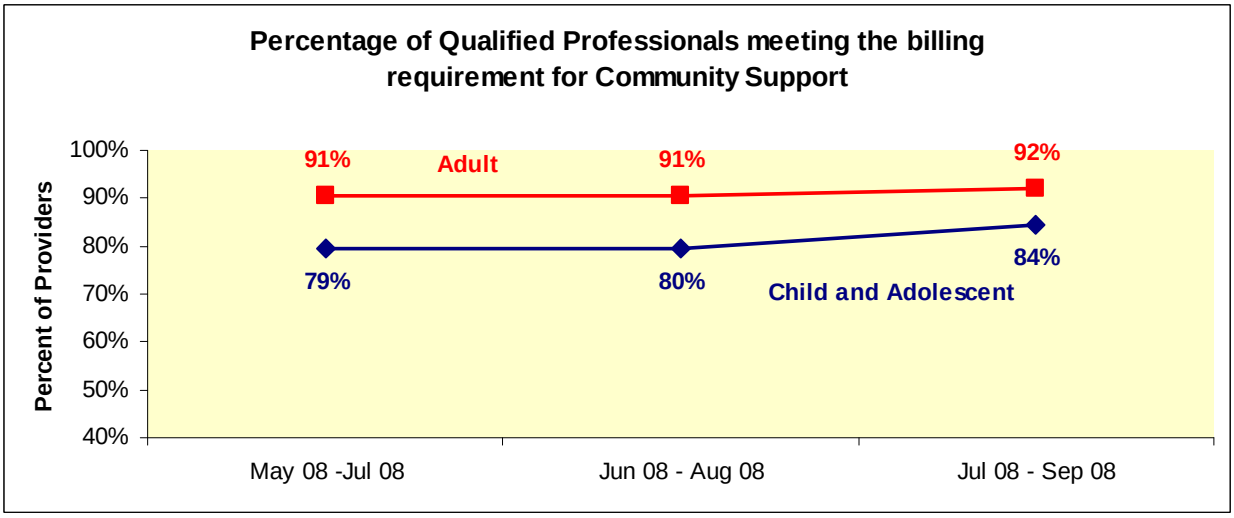
[2] The analysis includes services provided on or after March 1, 2008, when the requirement was implemented.

Figure 1.9
Medicaid-Funded Services



As shown in Figure 1.10, over 91% of adult community support providers and slightly over three-fourths of child providers met the qualified professional requirements for State-funded services during the first two rolling three-month periods. From July 08 to Sept. 08 over 84% of the child providers met the qualified professional requirements.

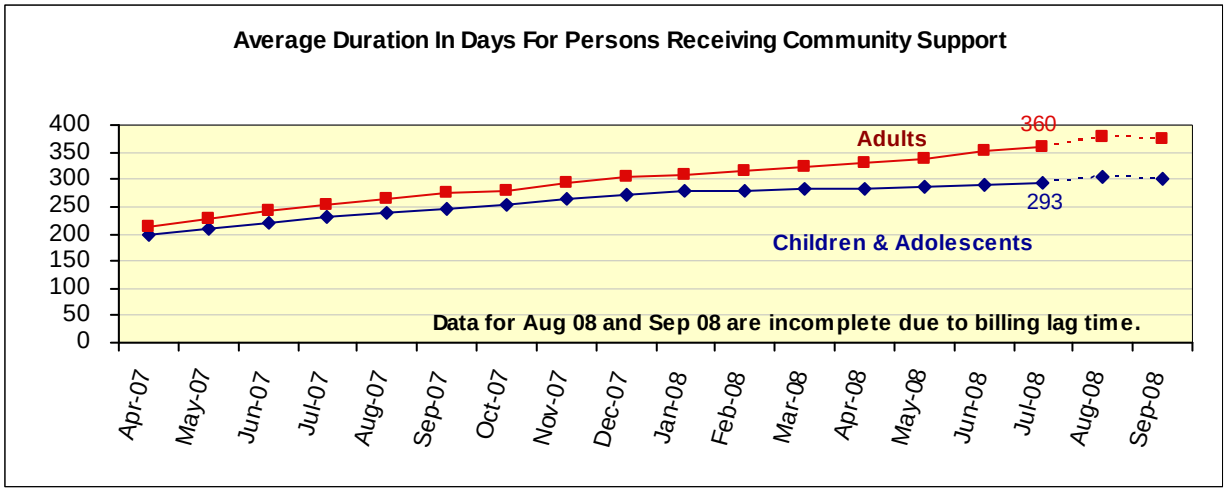
Figure 1.10
State-Funded Services



Intensity of Services (Length of Service and Hours per Person)

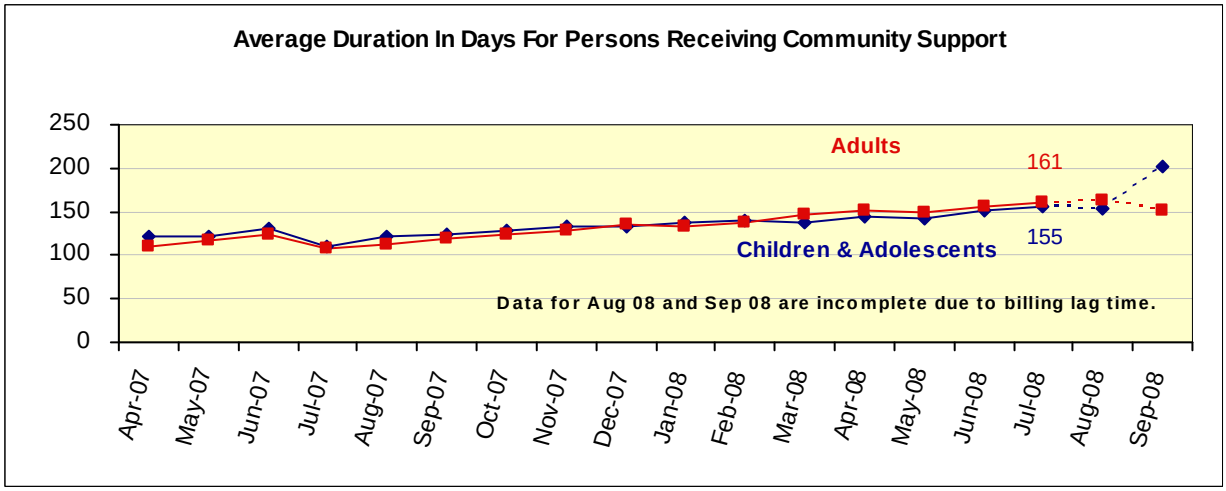
The *average length of service* or duration of services, as shown in Figure 1.11 below, shows a steady rise in the average number of days individuals remain in Community Support services. In July 2008 the average length of service was almost 10 months (293 days) for children and adolescents and almost one year (360 days) for adults. Preliminary data for August and September 2008 suggests that the average length of service for adults will continue to rise.

Figure 1.11
Medicaid-Funded Services



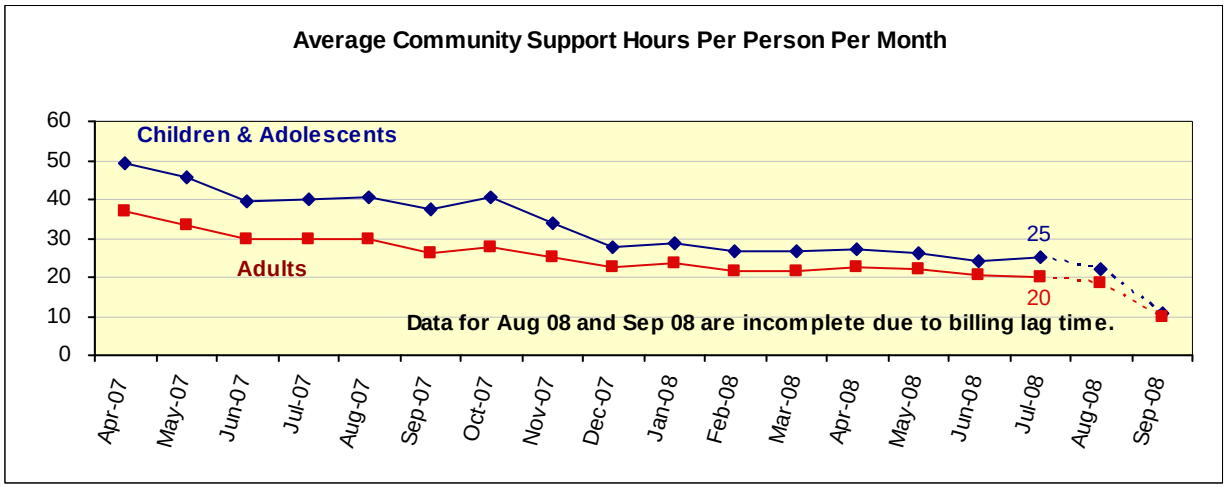
In July 2008, the *average length of service* for State-funded consumers, as shown in Figure 1.12 below, was slightly over five months both for children and adolescents (155 days) and for adults (161 days). Preliminary data for August and September 2008 suggests that the average length of service will continue to rise for both children and adolescents and adults.

Figure 1.12
State-Funded Services



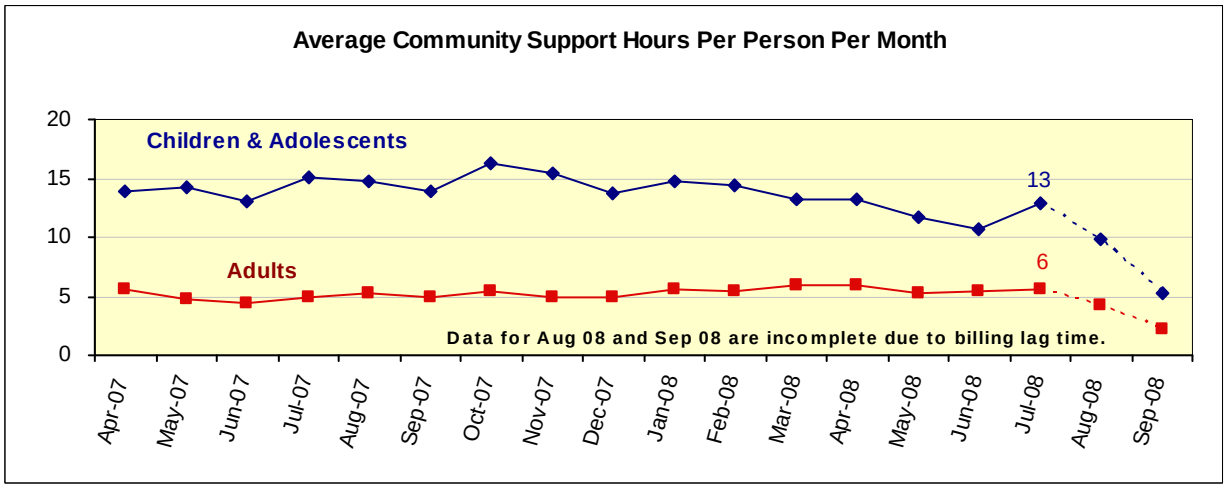
The average hours per person per month presents additional information for evaluating the intensity of the services provided. Figure 1.13 shows that the average hours per month has dropped to 25 hours for children and adolescents and 20 hours for adults.

Figure 1.13
Medicaid-Funded Services



As indicated in Figure 1.14, children and adolescents received an average of thirteen hours per month for State-funded Community Support services and adults received an average of six hours a month in July 2008.

Figure 1.14
State-Funded Services

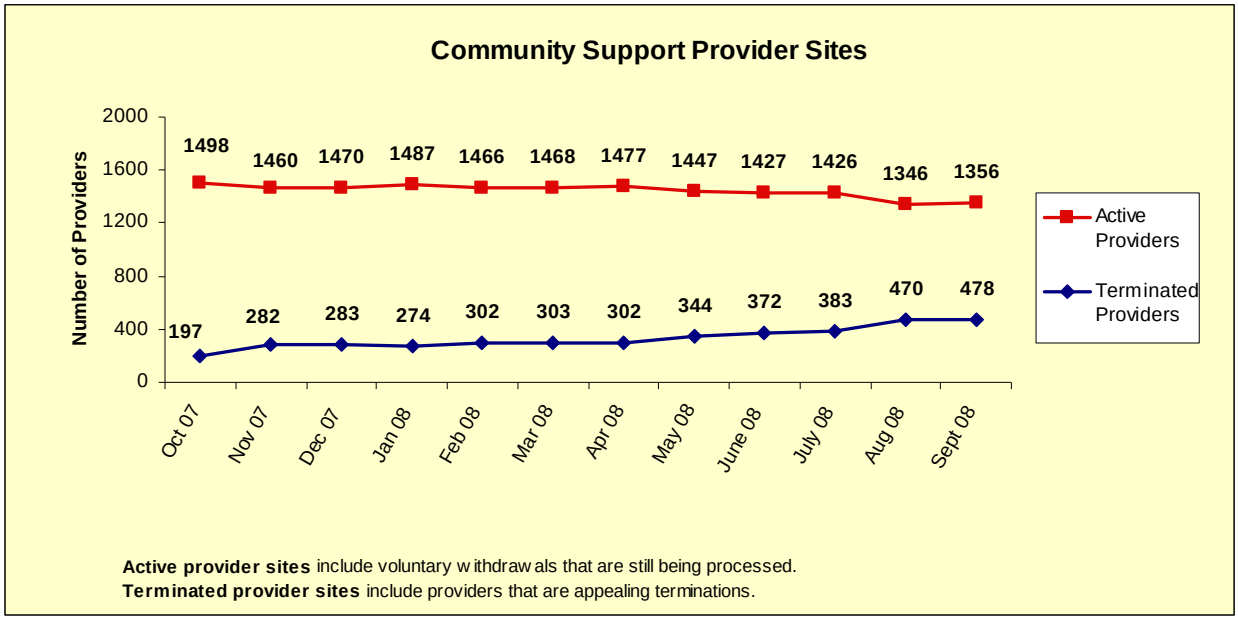


Community Support Providers

Number of Enrolled Providers

Since the enrollment of new Community Support providers was halted in November 2007, there has been an expected decrease in the number of active providers.[3] As of September 30, 2008 1,356 provider sites were actively enrolled to provide Community Support services, while enrollment for 478 provider sites was terminated.[4]

Figure 2.1



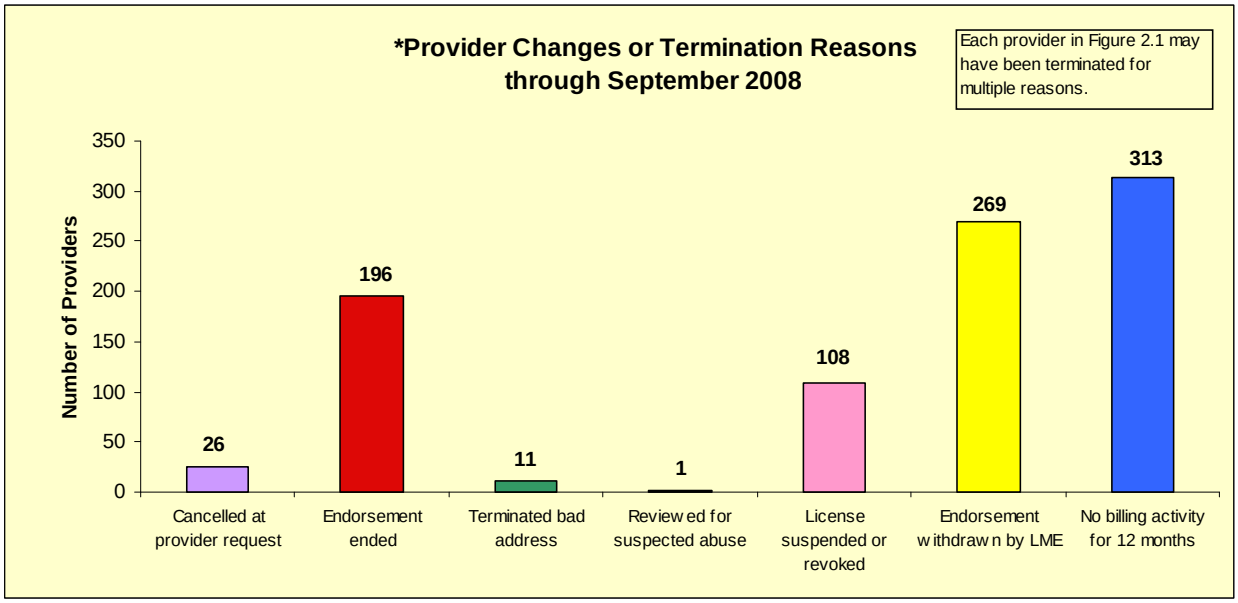
Current provider data was created on 10/7/08

Figure 2.2 on the following page, outlines reasons for changes and terminations for the 478 providers terminated in Figure 2.1. Provider inactivity, lapsed endorsements, and suspensions or revocations by Local Management Entities or the licensing agency, represented the most frequent reasons for termination.

[3] Providers are identified by the specific location from which services are delivered. A single business entity that has multiple enrolled sites is counted multiple times in Figure 2.1.

[4] The small increase in providers from January 2008 to April 2008 is the result of applications that were in process when the November 8, 2007 memorandum was issued halting enrollment. In addition, some terminated providers have been reinstated as a result of hearings where decisions were overturned and were moved to the "active provider" category.

Figure 2.2



*****Each provider in Figure 2.1 may have been terminated for multiple reasons listed in Figure 2.2.

Clinical Post-Payment Reviews

There have not been additional post-payment reviews since September 2007. When the next round of reviews are completed the results will be included in this report.

Actions Taken and Providers Referred for Further Review

As shown in Figure 2.3, 1,135 Community Support providers were referred to the Division of Medical Assistance (DMA) Program Integrity (PI) Section. The fluctuation in the number of monthly PI cases opened reflect multiple cyclic review processes that include, but are not limited to; (1) the clinical post payment reviews, (2) complete service record reviews, (3) complaints, (4) DMH Accountability Spring/Fall Audits, and (5) DMH Accountability Investigative Findings. Due to the current volume of Community Support providers under review by the Program Integrity Section, the Rapid Action Committee will not review the cases prior to further action. To date, the Program Integrity Section has submitted 39 provider cases for referral to the Attorney General's Medicaid Investigation Unit (MIU).[5]

Figure 2.3

Community Support Providers Referred for Further Action

As of July 31, 2008

	Previous Totals	August Totals	September Totals	Cumulative Totals
Provider cases opened by DMA Program Integrity Section	1,120	7	8	*1,135
Providers Referred by DMA to Attorney General's Medicaid Investigation Unit	38	0	1	39

*777 cases originated from the LME reviews. The balance is from other referrals to PI. The number of provider cases may include a duplicate number of providers referred to PI. Data generated on 10/10/08.

[5] Any direct referrals of community support providers to the MIU by agencies, families, or other stakeholders that do not pass through review by DMH or DMA will not be included in this report.

Enhanced Services

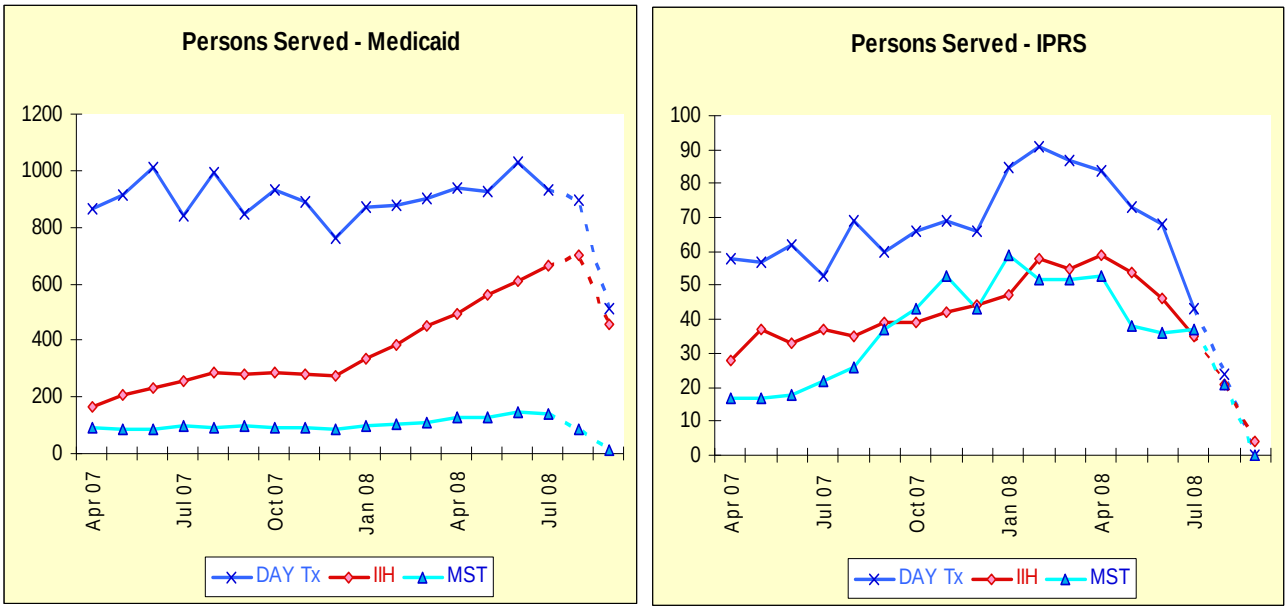
Use of Other New Enhanced Services

The number of individuals receiving other enhanced services in July 2008 remained much lower than the number of individuals who received Community Support during the same month (refer to Figure(s) 1.1 and Figure 1.2 on pages 3 and 4). The figures below represent the following four categories of other enhanced services: Services to Children and Adolescents; Services to Adults; Substance Abuse Services; and Crisis Intervention Services.

Children and Adolescents

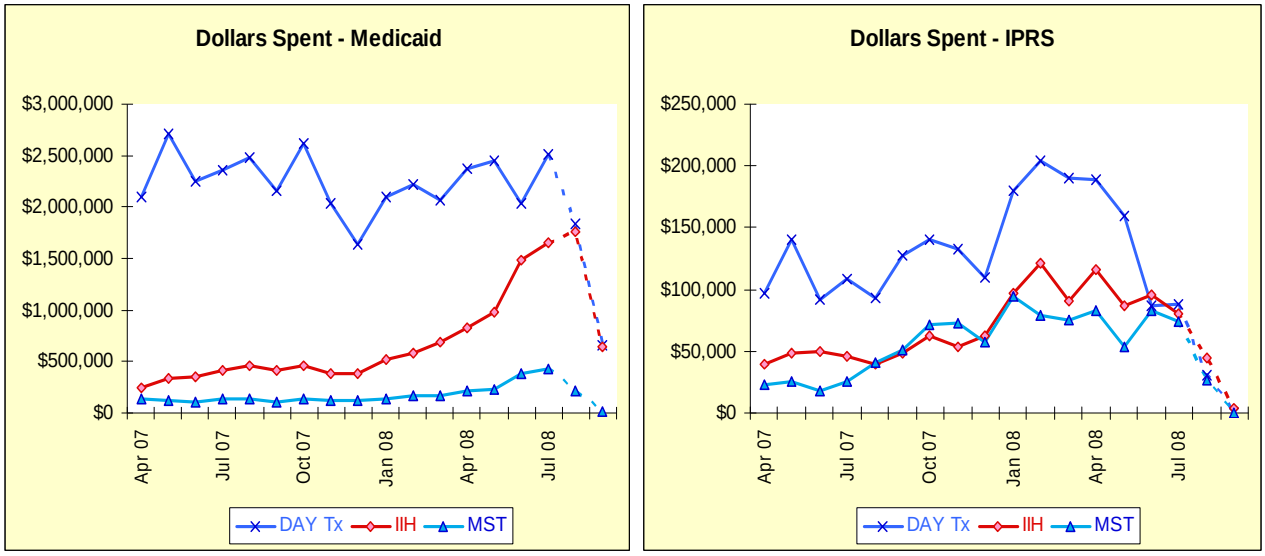
As shown in Figure 3.1 below, more children and adolescents continue to receive Medicaid funded Day Treatment (Day Tx) than Intensive In-Home (IIH) and Multisystemic Therapy (MST). Over the past 18 months children and adolescents receiving State-funded Day Tx has decreased, but it is still higher than both IIH and MST. Persons receiving State-funded IIH and MST have increased since April 2007, but have declined over the past four months.

Figure 3.1
Medicaid Services and State Funded Services for Children and Adolescents



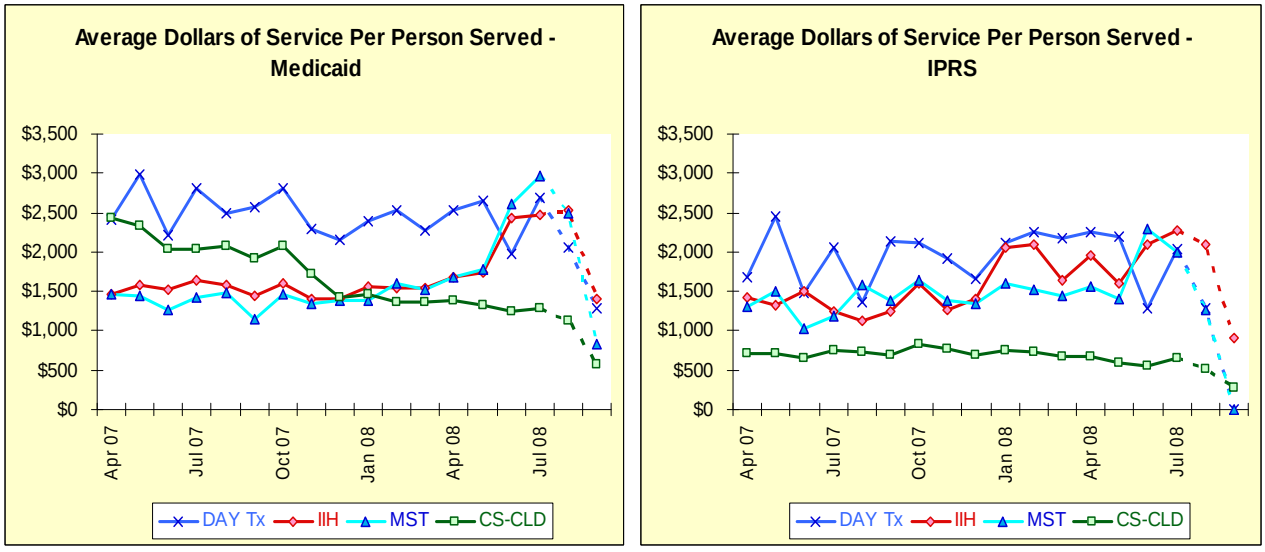
The pattern for costs, shown in Figure 3.2 reflects a decrease in spending for State-funded DayTx over the past 18 months, while Medicaid-funded Day Tx has increased during the same period. Both Medicaid and State-funded IIH costs show a substantial increase over the past 18 months. During the same period Medicaid-funded MST increased slightly, while State-funded MST had a more pronounced increase.

Figure 3.2
Medicaid Services and State Funded Services for Children and Adolescents



In Figure 3.3 the average Medicaid and State cost of services per person has increased for Day Tx, IIH, and MST in the past 18 months, while Community Support-Child (CS-CLD) has decreased over the same period.

Figure 3.3
Medicaid Services and State Funded Services for Children and Adolescents



Adults

The number of adults receiving Medicaid-funded and State-funded Community Support Team (CST) and Assertive Community Treatment Team (ACTT) has continued to increase over the past 18 months, while the number of persons receiving Medicaid funded Psychosocial Rehabilitation (PSR) has decreased. During the same period, the number of persons receiving State-funded PSR has increased slightly. Compared to the other Enhanced Benefit services for adults, CST has shown the most significant increase.

Figure 3.4
Medicaid Services and State Funded Services for Adults

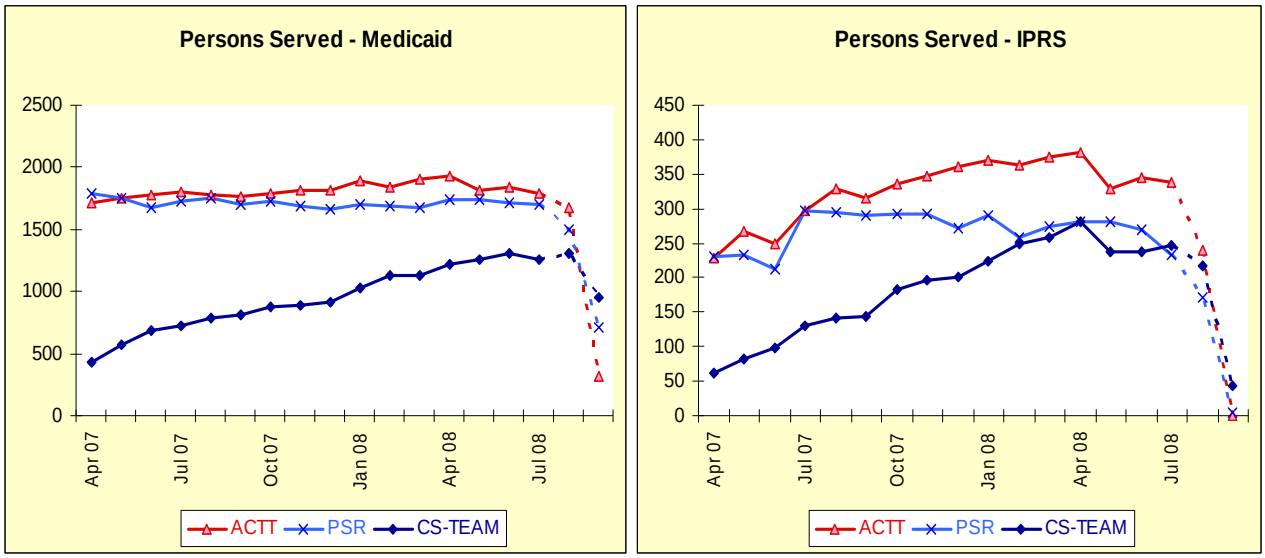
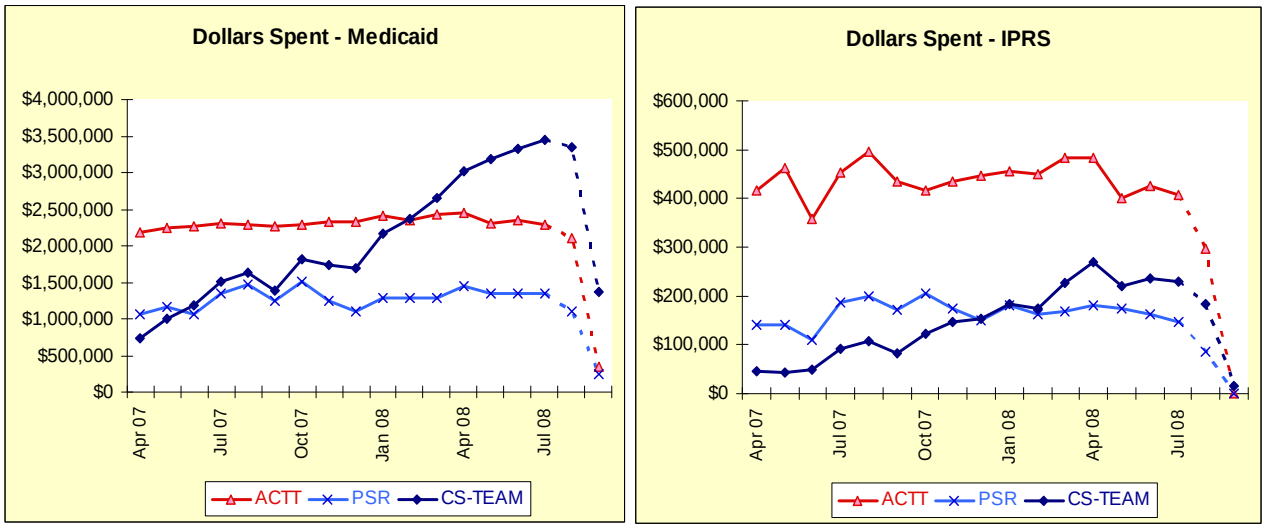


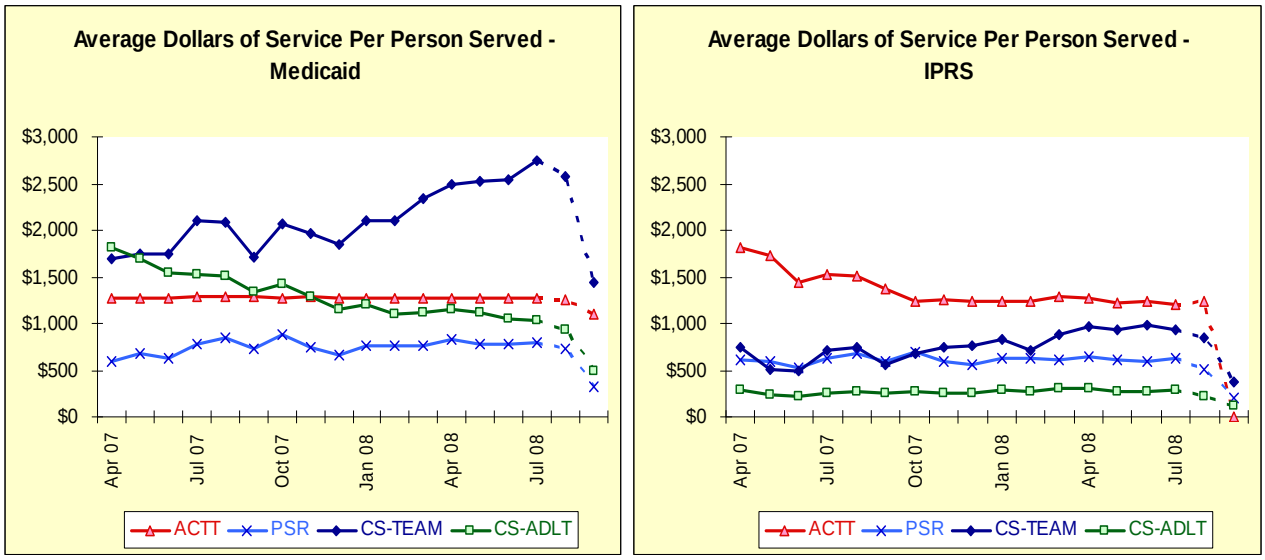
Figure 3.5 below shows similar trends over the past 18 months with large increases in the Medicaid dollars spent on CST, and a slight increase in ACTT services. Over the same period State dollars spent on ACTT has decreased, while PSR increased slightly and CS-TEAM had a more noticeable increase.

Figure 3.5
Medicaid Services and State Funded Services for Adults



In Figure 3.6 the average dollars of service per person has increased for Medicaid-funded CS-TEAM and PSR while the per-person cost remained fairly level for other services except Community Support-Adult (CS-ADULT), which has decreased over the past 18 months. The average cost per person for State-funded services has remained stable for CS-Adult and PSR, but has increased slightly for CS-Team. State-funded ACTT services had the most noticeable decrease over the same period.

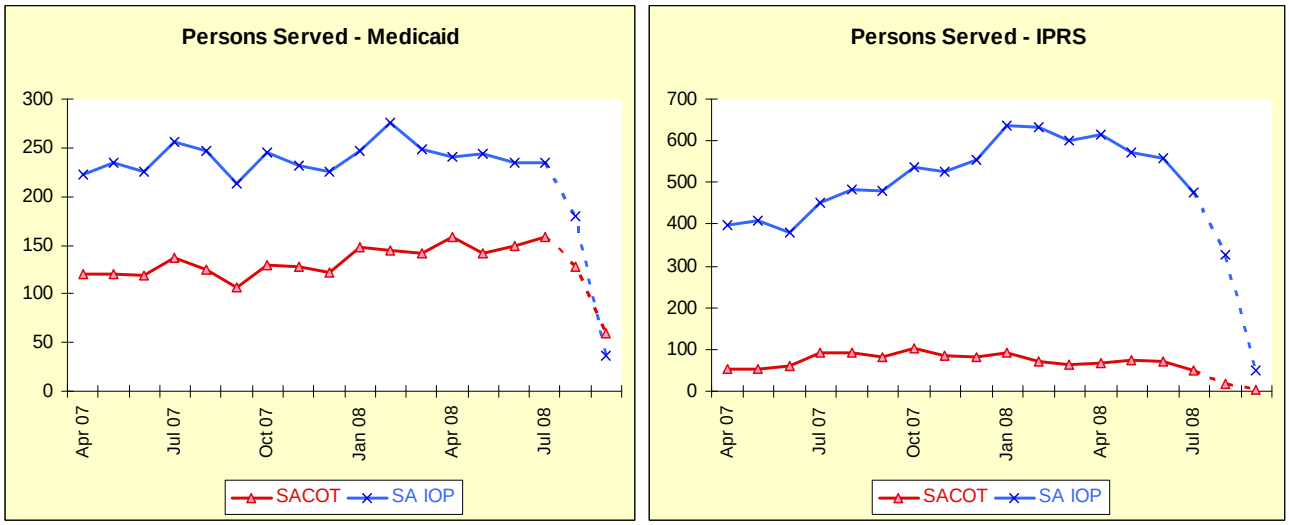
Figure 3.6
Medicaid Services and State Funded Services for Adults



Substance Abuse Services

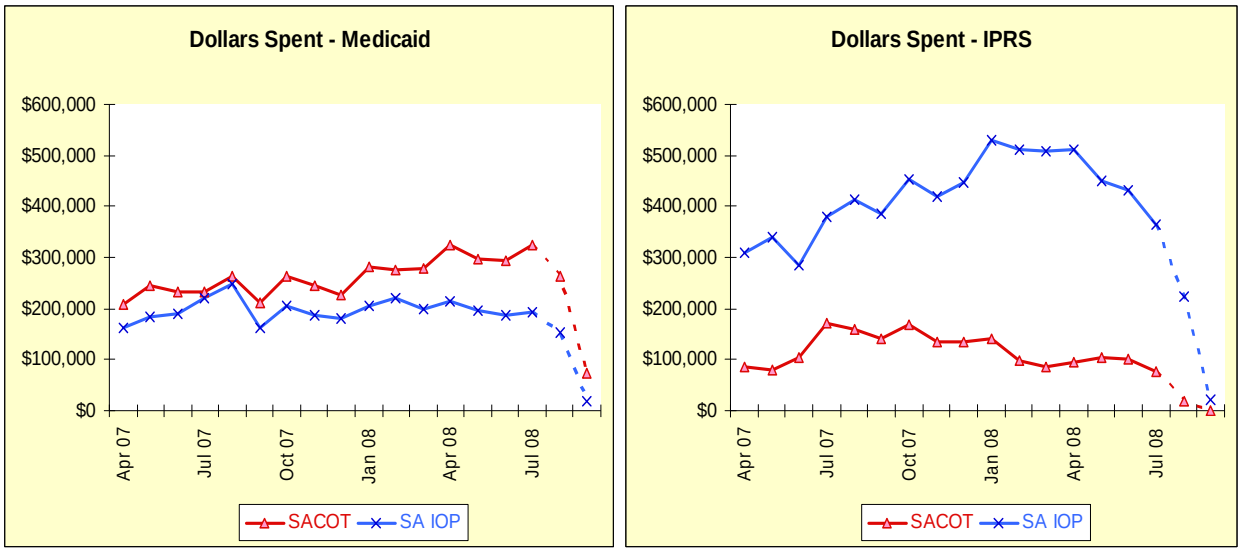
In Figure 3.7 below the number of individuals receiving Medicaid-funded Substance Abuse Intensive Outpatient Program (SA IOP) services, and Substance Abuse Comprehensive Outpatient Treatment (SACOT) services has increased since April 2007. During the same period State-funded SACOT decreased, while SA IOP has continued to decline since January 2008.

Figure 3.7
Medicaid Services and State Funded Services for Substance Abuse



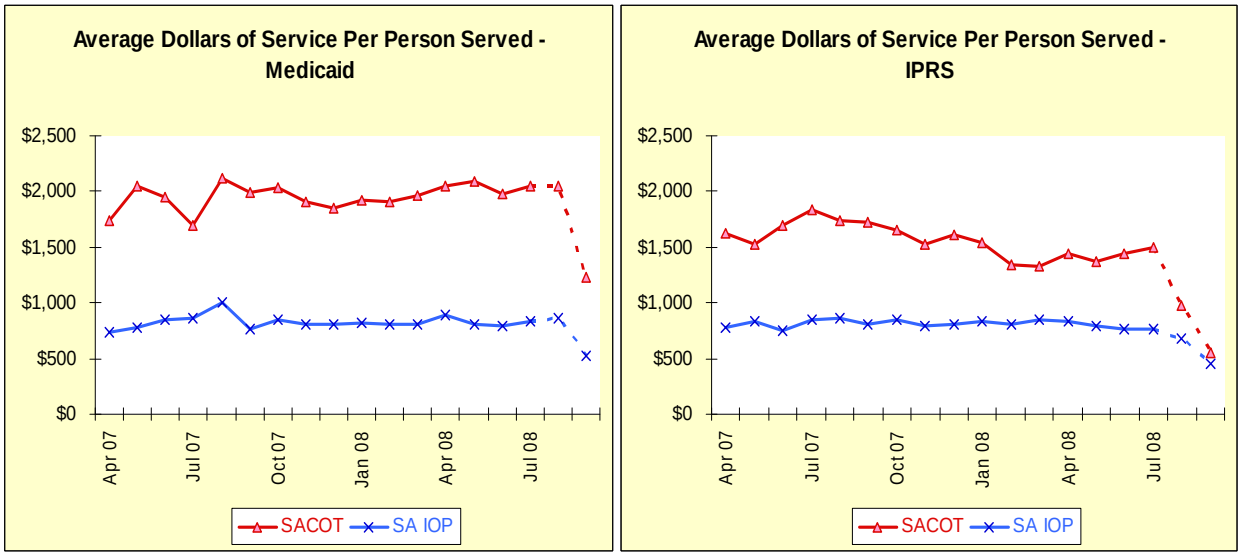
As shown in Figure 3.8 below, spending for Medicaid-funded SACOT has increased over the same period, while SA IOP spending has increased slightly. Since January 2008 State-funded SA IOP and SACOT has continued to decrease.

Figure 3.8
Medicaid Services and State Funded Services for Substance Abuse



In Figure 3.9 below, the average dollars per person for Medicaid-funded Substance Abuse Comprehensive Outpatient Treatment (SACOT) and Substance Abuse Intensive Outpatient Program (SAIOP) has increased since April 2007, but has decreased slightly since May 2008, while State funded services decreased slightly for both SACOT and SAIOP.

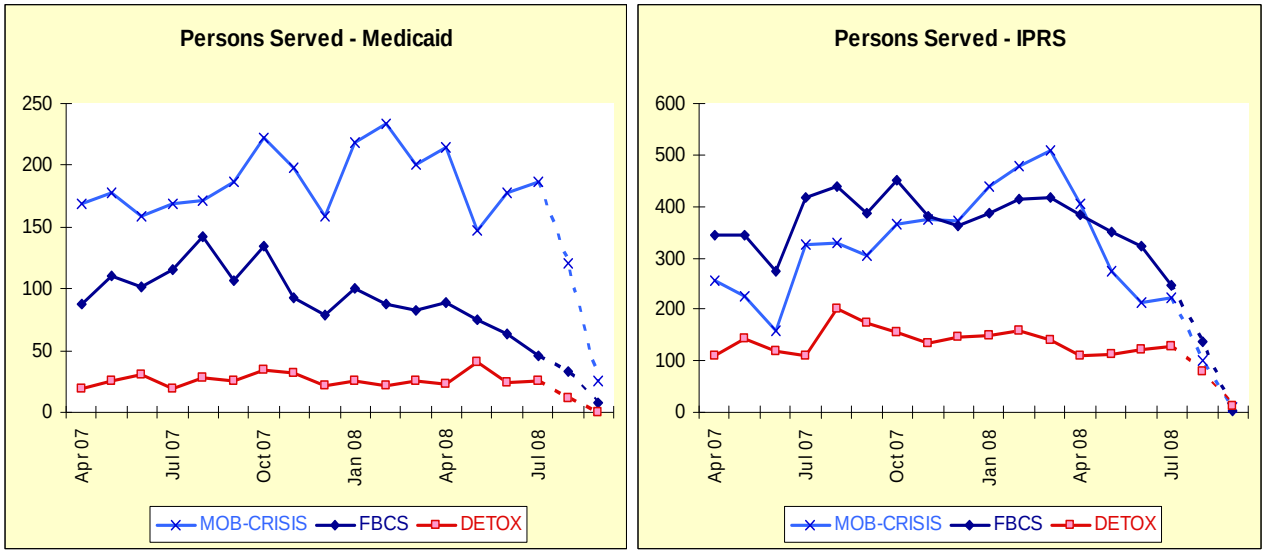
Figure 3.9
Medicaid Services and State Funded Services for Substance Abuse



Crisis Services for All Age/Disability Populations

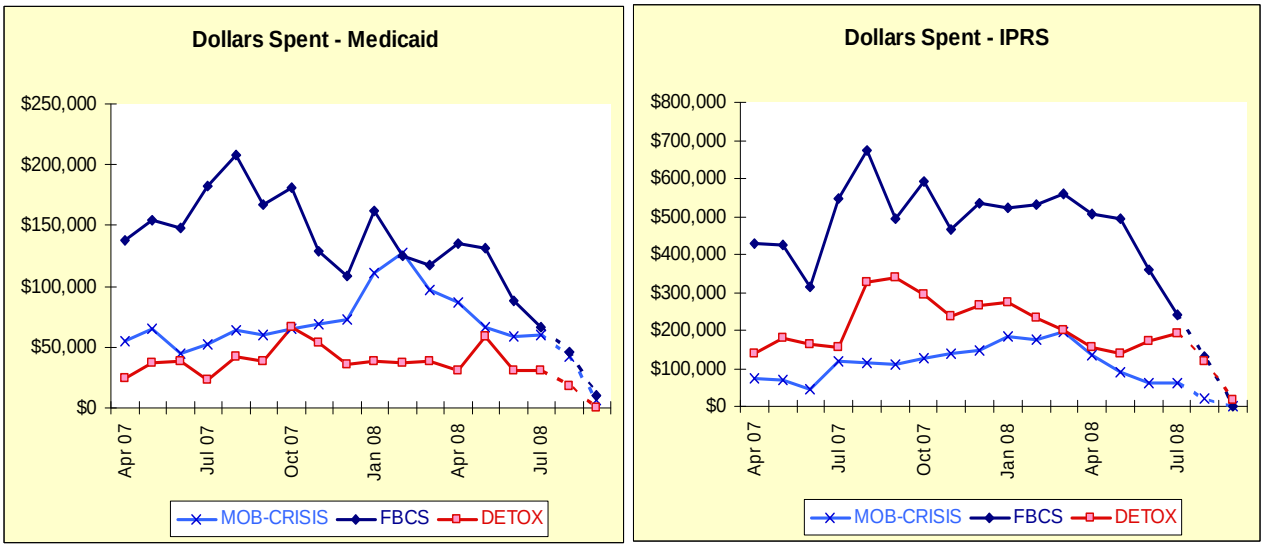
As shown in Figure 3.10, the number of individuals receiving Medicaid and State-funded Facility Based Crisis Program Services (FBCS) and Non-Hospital Medical Detoxification (DETOX) has decreased over the past few months, while Medicaid-funded Mobile Crisis Management (MOB-CRISIS) has increased. In contrast, State-funded MOB-CRISIS has decreased over the same period.

Figure 3.10
Medicaid Services and State Funded Crisis Services



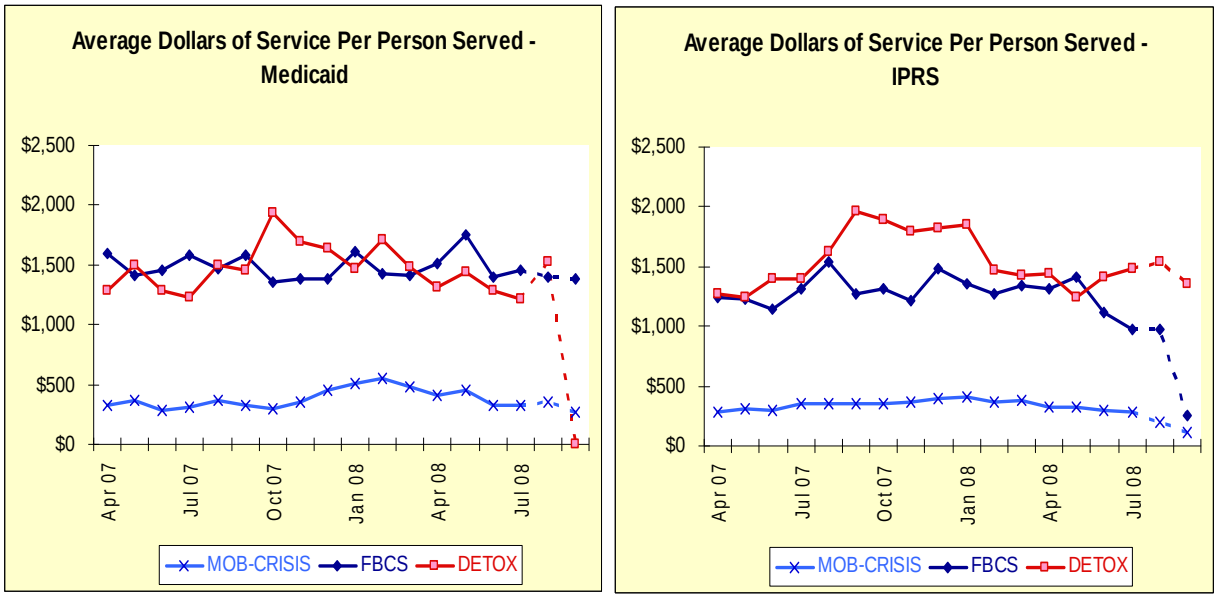
In Figure 3.11 below, Medicaid and State funding for FBCS has decreased since April 2007, while Medicaid-funded MOB-CRISIS and DETOX has decreased during the past few months. State funding for DETOX has also increased since April 2007, while MOB-CRISIS has decreased since March 2008.

Figure 3.11
Medicaid Services and State Funded Crisis Services



As shown in Figure 3.12 below, average dollars per person for both Medicaid-funded and State-funded FBCS has fluctuated during the past 18 months, and has decreased over the past three months. Medicaid and State-funded MOB-CRISIS has remained relatively stable since April 2007, while State-funded DETOX has increased slightly since May 2008.

Figure 3.12
Medicaid Services and State Funded Crisis Services



Conclusion

Overall, the use of Community Support services has continued to decrease over the past 18 months. Recent legislative and policy changes, such as the Division's revision of the rates for Enhanced Benefit Services, are beginning to have an impact on the use of Community Support and other Enhanced services detailed in this report. Careful and continued examination of the Community Support data may help to shed new light on the level of funding, and the volume and quality of services needed to strengthen our system. In addition, the Division will continue to monitor the use of services through the Medicaid Management Information System, Integrated Payment Reporting System, and other required state review processes.

Appendix

Appendix A

Legislative Background

Session Law 2007-323, House Bill 1473, Section 10.49.(ee) requires the Department of Health and Human Services to "[evaluate] the use and cost of Community Support services to identify existing and potential areas of over utilization and over expenditure." Section 10.49(ee)(10) further stipulates that the Department will:

> *"Beginning October 1, 2007, and monthly thereafter, report to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services. The report shall include the following:*
>
> *a. The number of clients of Community Support services by month, segregated by adult and child;*
> *b. The number of units of Community Support services billed and paid by month, segregated by adult and child;*
> *c. The amount paid for Community Support by month, segregated by adult and child;*
> *d. Of the numbers provided in sub-subdivision b. of this subdivision, identify those units provided by a qualified professional and those provided by a paraprofessional;*
> *e. The length of stay in Community Support, segregated by adult and child;*
> *f. The number of clinical post payment reviews conducted by LMEs and a summary of those findings;*
> *g. The total number of Community Support providers and the number of newly enrolled, re-enrolled, or terminated providers, and if available, reasons for termination;*
> *h. The number of Community Support providers that have been referred to DMA's Program Integrity Section, the Division's "Rapid Action response" committee; or the Attorney General's Office;*
> *i. The utilization of other, newly enhanced mental health services, including the number of clients served by month, the number of hours billed and paid by month, and the amount expended by month."*

Appendix B

Summary Notes

About the Data: The September 2008 Community Support report includes historic data for 18 months, which helps to identify trends in the use of Community Support services. The data span Medicaid-funded and State and block grant funded services paid through IPRS. The data – with the exception of Figures 1.7 and 1.8 – are based on the *date of service*, rather than the *date of payment*, as this gives a more accurate description of the actual trends in use of services. (See "Cost of Services" below for more information.)

Caution is necessary in interpreting date of service information for the most recent months. These data are likely to be incomplete due to delays in providers' submission of service claims. Data for the two most recent months is represented by dotted lines (- - - -) in the graphs.

Medicaid funding defines children as ages 0-20; State funding defines children as ages 0-17. No Medicaid data from Piedmont Behavioral Healthcare is included in the analysis because it is the only LME that has an approved waiver through the Centers for Medicare and Medicaid Services.

Cost of Services (Page 5)

In order to present the most accurate picture of the cost of Community Support services, two methods of calculating expenditures are included.

- Patterns in service costs are calculated based on the *date of service.* These data (see Figures 1.5 and 1.6) provide a good representation of trends in *actual use and cost of services* each month. However, dollar amounts for the two most recent months require cautious interpretation. Due to the time needed for claims submission and processing, expenditures shown for these most recent months are likely to be incomplete.[6]
- Patterns in service payments are calculated using the *date of payment* of the service claim.[7] This information (see Figures 1.7 and 1.8) provides a timely representation of trends in *actual funds expended* from month to month, including the most recent months. However, information based on date of payment is less helpful for evaluating or predicting trends in use of Community Support services, due to variability in providers' claims submission practices and the number of check-write cycles that occur each month.

Services by Qualified Professionals and Paraprofessionals (Page 7)

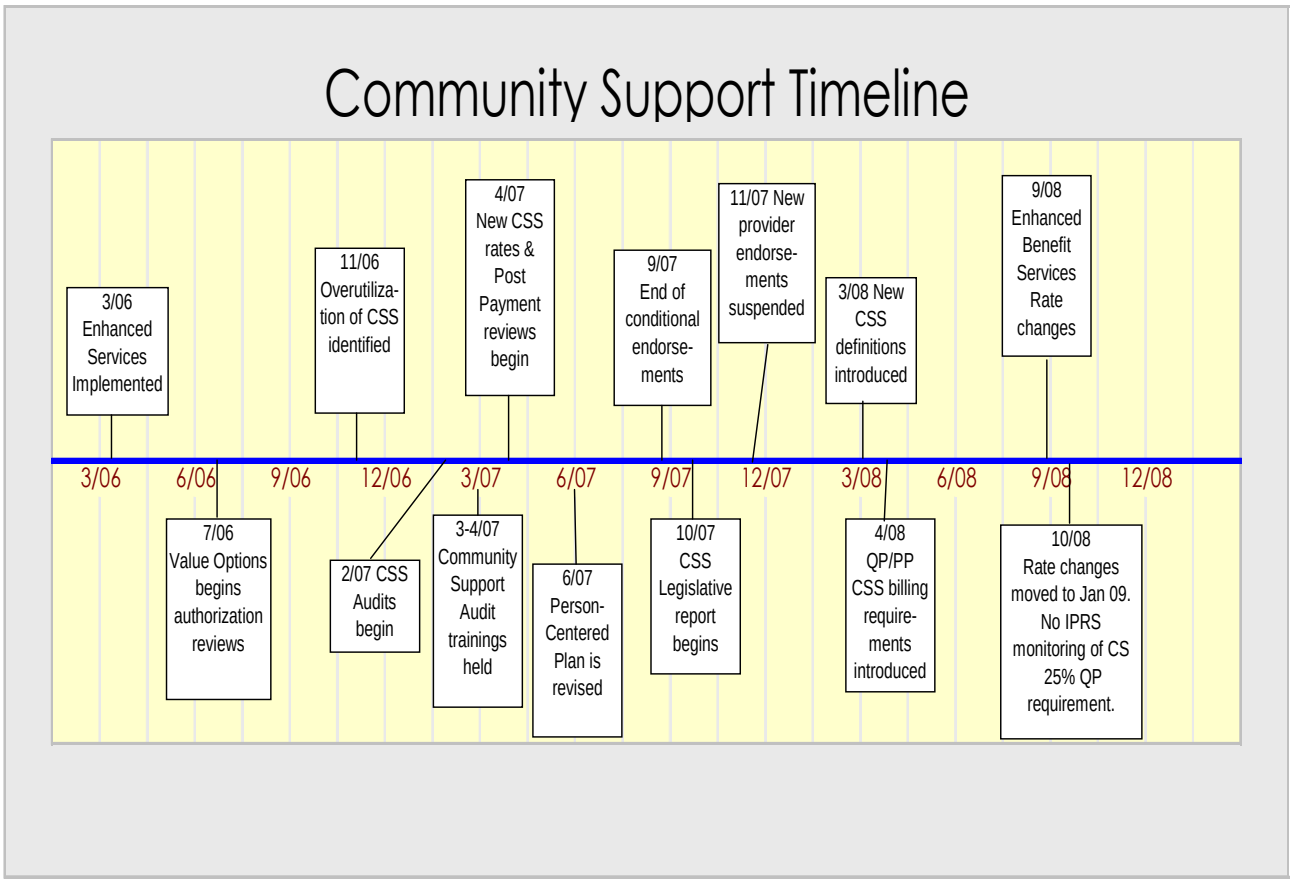
- *Implementation Update #45 (July 7, 2008)* clarifies the 25% aggregate service requirement. One major change is that provider compliance will be measured over a "rolling" three month period of time. Providers will also have the right to appeal any decision to withdraw endorsement, based on their ability to document billable services delivered during the three month period.

[6] Each monthly report includes updated expenditures for previous months to reflect additional claims as they are paid.

[7] Calculations of service value based on the date of payment include payment adjustments. Calculations based on the date of service do not.

- *Implementation Update #46 (July 18, 2008)* outlines legislative changes that will impact all costs reported and hours billed per person in all future Community Support reports. As of August 1, 2008 all community support services are subject to prior approval, and Community Support services will be limited to 8 hours per week without prior authorization.
- *Clarification of Implementation Update #46 (August 4, 2008)* outlines the submission of proposed tiered rate changes, which will increase the percentage of services billed and delivered by Qualified Professionals to 50%. Providers will have eight months after the implementation of the tiered rates to meet the 50% standard.
- *Implementation Update #48 (September 2, 2008)* outlines rate changes for all Medicaid and State funded Enhanced Benefit services.
- *Implementation Update #48 (October 6, 2008)* outlines changes in the provider status, a date change to January 1, 2009 for three of the Enhanced Benefit Services, suspension of monitoring the 25% Qualified Professional requirement for State-funded Community Support, and a reminder to LME's to begin notifying providers that have not met the 25% requirement.

Appendix C


Community Support Timeline
3/06 Enhanced Services Implemented
7/06 Value Options begins authorization reviews
11/06 Overutiliza-tion of CSS identified
2/07 CSS Audits begin
4/07 New CSS rates & Post Payment reviews begin
3-4/07 Community Support Audit trainings held
6/07 Person-Centered Plan is revised
9/07 End of conditional endorse-ments
10/07 CSS Legislative report begins
11/07 New provider endorse-ments suspended
3/08 New CSS definitions introduced
4/08 QP/PP CSS billing require-ments introduced
9/08 Enhanced Benefit Services Rate changes
10/08 Rate changes moved to Jan 09. No IPRS monitoring of CS 25% QP requirement.
3/06
6/06
9/06
12/06
3/07
6/07
9/07
12/07
3/08
6/08
9/08
12/08